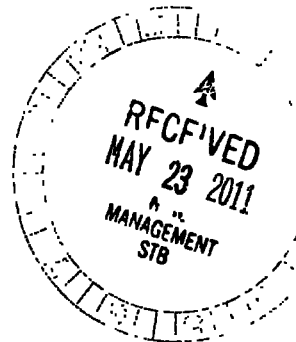


ATTORNEYS AT LAW SINCE 1895

VIA FEDERAL EXPRESS

May 20, 2011



Cynthia T. Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street SW
Washington, DC 20024

Re: **STB Docket No. AB-986 (Sub-No. 1X)** *229580*
Willamette & Pacific Railroad, Inc.
-- Petition for Discontinuance of Service Exemption --
Bailey Branch and Hull Oakes Lead in Benton County, Oregon

STB Docket No. AB-33 (Sub-No. 257X) *229582*
Union Pacific Railroad Company
-- Petition for Abandonment Exemption --
Bailey Branch and Hull Oakes Lead in Benton County, Oregon

Dear Ms. Brown:

Enclosed for filing please find the original and 10 copies of a Combined Petition for Exemption seeking discontinuance authority on behalf of Willamette & Pacific Railroad, Inc. ("WPRR") and abandonment authority on behalf of Union Pacific Railroad, Inc. ("UP"). Also enclosed is a check in the amount of \$6300 representing the WPRR filing fee for this petition, and a credit card authorization in the amount of \$6300 representing the UP filing fee.

Please time stamp the extra copy of the petition to indicate receipt and return it to me in the self-addressed stamped envelope provided for your convenience.

Pittsburgh

Philadelphia

Princeton

Wheeling

Thorp Reed & Armstrong, LLP
One Commerce Square
2005 Market Street
Suite 1000
Philadelphia, PA 19103-7041
215 640 8500
215 640 8501 Fax

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MAY 23 2011
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Office of Proceedings
Page 2

May 20, 2011

Please let know if there are any questions about the filing. Thank you for your assistance.

Respectfully,

A handwritten signature in black ink, appearing to read "Eric M. Hocky", is written over the typed name.

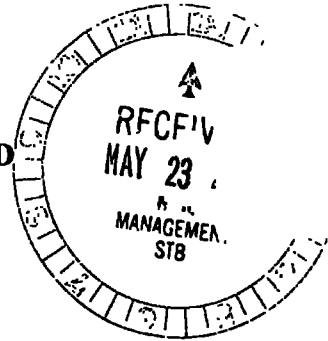
Eric M. Hocky

EMH/e

Enclosures

cc: Mack H. Shumate, Jr. (by email; w/encl.)
WPRR (by email; w/encl.)
All persons on service list (by mail; w/encl.)

Before the
SURFACE TRANSPORTATION BOARD



STB Docket No. AB-986 (Sub-No. 1X)

WILLAMETTE & PACIFIC RAILROAD, INC.
-- PETITION FOR DISCONTINUANCE OF SERVICE EXEMPTION --
BAILEY BRANCH AND HULL OAKES LEAD
IN BENTON COUNTY, OREGON

STB Docket No. AB-33 (Sub-No. 257X)

UNION PACIFIC RAILROAD COMPANY
-- PETITION FOR ABANDONMENT EXEMPTION --
BAILEY BRANCH AND HULL OAKES LEAD
IN BENTON COUNTY, OREGON

ENTERED
Office of Proceedings

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Public Record

COMBINED PETITION FOR EXEMPTION

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MAY 23 2011

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MAY 23 2011

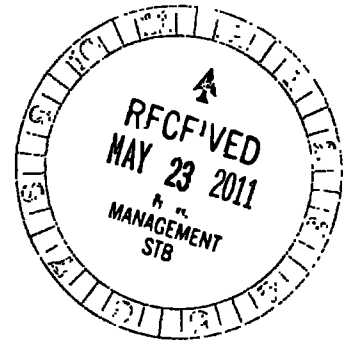
**SURFACE
TRANSPORTATION BOARD**

UNION PACIFIC RAILROAD COMPANY
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Dated: May 20, 2011

Before the
SURFACE TRANSPORTATION BOARD



STB Docket No. AB-986 (Sub-No. 1X)

**WILLAMETTE & PACIFIC RAILROAD, INC.
-- PETITION FOR DISCONTINUANCE OF SERVICE EXEMPTION --
BAILEY BRANCH AND HULL OAKES LEAD
IN BENTON COUNTY, OREGON**

STB Docket No. AB-33 (Sub-No. 257X)

**UNION PACIFIC RAILROAD COMPANY
-- PETITION FOR ABANDONMENT EXEMPTION --
BAILEY BRANCH AND HULL OAKES LEAD
IN BENTON COUNTY, OREGON**

COMBINED PETITION FOR EXEMPTION

Willamette & Pacific Railroad, Inc. ("WPRR") and Union Pacific Railroad Company ("UP") hereby petition for an exemption under 49 U.S.C. §10502 from the provisions of 49 U.S.C. §10903 to enable WPRR to discontinue service over, and UP to abandon, the Bailey Branch from M.P. 682.25 near Greenberry to M.P. 671.58 near Monroe (the "Bailey Branch"), and the Hull Oakes Lead from M.P. 673.21 near Alpine Jct. to M.P. 680.06 near Dawson (the "Hull Oakes Lead"), a total distance of 17.86 miles in Benton County, Oregon (collectively, the "Line"). A map of the Line is attached hereto as Exhibit A.¹ In addition the parties seek

¹ The mileage of the proposed abandonment and discontinuance have been updated since the Combined Environmental and Historic Report ("EHR") was filed on March 29, 2011. Further review of the UP engineering documents indicates that, although the milepost where the Hull Oakes Lead connects to the Bailey Branch at Alpine Jct. is correct, there is an adjustment that needs to be made making the line 0.34 miles longer than indicated by the mileposts. The legend on the map indicates an increase in the mileage of the Hull Oakes Lead from 6.85 to 7.19 miles. This still represents the entire Hull Oakes Lead as shown on the map, and the end points have not changed. Additionally, the bridge list of structures 50 years old and older attached to

authority to discontinue their respective reserved limited overhead trackage rights between M.P. 687.6 south of Corvallis and M.P. 682.25 near Greenberry, a distance of 5.35 miles (the "Trackage Rights Line").² In support of their request for exemption, WPRR and UP represent as follows:

Background of Transaction

The Line is owned by UP (as successor to Southern Pacific Transportation Company), and has been leased to and operated by WPRR since 1993. *See Willamette & Pacific Railroad, Inc. - Lease and Operation Exemption*, ICC Finance Docket No. 32245 (served February 26, 1993). The Bailey Branch is constructed with 75-pound jointed rail, and the Hull Oakes Lead is constructed with a combination of 75-, 76- and 80-pound jointed rail. There are a number of soft spots that make it difficult to keep the track in gauge. The Line has 20 bridges that are 50 years old or older (*see* Exhibit A), and approximately 50 crossings (29 of which are public crossings). The Line was in "excepted condition" (i.e., it did not meet FRA Class 1 track standards). After a number of derailments, WPRR determined that the Line was not safe to operate, and accordingly, in June 2007, the Line was embargoed.³ Subsequently, WPRR determined that the traffic on the Line did not justify the cost of the required rehabilitation to repair the Line for continued safe operations, and the costs of continued operation and

the map has been updated to include the bridge at milepost 677.74 which was not 50 years old when the original consultations were made. The bridge, and photographs, were included in the materials submitted to the SHPO.

² The trackage rights were reserved in order to preserve the ability of UP and WPRR to reach the Line pending receipt of abandonment and discontinuance authority. *See Albany & Eastern Railroad Company-Acquisition and Operation Exemption-Union Pacific Railroad Company and Willamette & Pacific Railroad, Inc.*, STB Finance Docket No. 35355 (served March 10, 2010).

³ As discussed more fully below, the embargo expired as of June 16, 2010.

maintenance. The Line has been included in Category 1 on UP's System Diagram Map, and on WPRR's system diagram map, since July 2007. WPRR now seeks an exemption to discontinue service over the Line, and UP seeks an exemption to abandon the Line.

The Line is only 17.52 miles long and is located in a single county – Benton County – in Oregon. It traverses through United States Postal ZIP Codes 97333 and 97456. Based on information in the possession of UP as the owner of the Line, the Line does not contain federally granted rights-of-way. Any documentation in UP's possession will be made available to those requesting it.

Current Status of the Line

The last local rail service provided on the Line was prior to the initial imposition of the embargo in June 2007. Since the Line is stub-ended at the end of each branch, there is no overhead traffic on the Line. Prior to the Line being taken out of service in 2007, there was only one active shipper on the Bailey Branch (located at the end in Monroe), and two active shippers on the Hull Oakes Lead (both of whom are located at the end of the Line in Dawson).⁴ The primary commodities handled were lumber and wood chips for a customer located at the furthest end of the Hull Oakes Lead.

Carloads for 2006 and the first half of 2007 (prior to the embargo) were as follows:

<i>Bailey Branch</i>	2006	2007 (pre-embargo)	2007 (full-estimated)
Lauren Smith Farms	13	-0-	-0-
Goracke Brothers	15	-0-	-0-
Van Beek Dairy	62	27	54

⁴ In 2006 there were an additional two shippers on the Bailey Branch, and an additional one shipper on the Hull Oakes Lead.

Hull Oakes Lead

Nussbaum Farms	13	-0-	-0-
Hull Oakes Lumber	341	160	320
Wilbur Ellis	13	2	4
Total	457	189	378

For the purposes of this Petition, WPRR and UP are considering 2007 (as estimated for the full year) as the Base Year. Since WPRR and UP are not aware of any significant changes that would have occurred had the Line not been embargoed, the Forecast Year is estimated at the same levels as the Base Year. Given the location of the shippers and the estimated number of carloads, the level of traffic is less than 25 carloads per mile.

For the first 6 months of 2007, WPRR earned gross revenues of \$119,978 on the traffic moved on the Line; this extrapolates to \$239,956 for the Base Year and \$247,155 for the Forecast Year (based on the 3% increase in rates generally received by WPRR in 2008). This includes the amounts paid to it by UP, as well as a surcharge that had been imposed by WPRR on the handling of certain products to and from the Line.

Each of these shippers also received service by truck, and WPRR and UP believe that all of the traffic could reasonably be handled by motor carrier. Indeed, as a result of the embargo, the shippers have shifted all of their traffic to truck. As indicated in the EHR, the shift would result in an estimated additional 3,024 loaded and empty trucks annually on area roadways (approximately 12 per weekday) which can easily be accommodated by area roads. EHR at 5.

Because of the light weight rail and poor subsurface conditions, the Line has historically been difficult to maintain. When WPRR began leasing the Line in 1993, the Line suffered from deferred maintenance with the last tie program having been in the early 1970's. Due to low

traffic densities, WPRR could not justify rehabilitating the track. In 2000, WPRR received approximately \$250,000 of emergency funds from the State of Oregon to purchase and install 6800 ties on the Line (and the line between Greenberry and Corvallis) – WPRR provided the ballast and surfacing required for the project. In 2002, the Line again was in need of substantial repair, and the State of Oregon provided approximately \$100,000 (and WPRR an additional \$19,000) to fund the installation of another 2200 ties, ballast and spot resurfacing. However, that rehabilitation only preserved the Line for a short time, and then WPRR again began to experience numerous derailments.

In 2006, WPRR obtained an independent estimate for the rehabilitation needed to bring the Line into FRA Class 1 track condition. A copy of the estimate is attached as Exhibit B. The estimate indicated that the needed rehabilitation would, at that time, have cost approximately \$1,350,000.⁵ Given the passage of time and the increase in costs of materials, the rehabilitation would likely cost significantly more now. In abandonments where the line sought to be abandoned is below FRA Class 1 standards, the full rehabilitation expenses must be considered as an initial year expense. *CSX Transportation, Inc. – Discontinuance – At Memphis, In Shelby County, TN*, STB Docket No. AB-55 (Sub-No. 618 (served May 15, 2003), 2003 STB LEXIS 254, *10-11; *Burlington Northern Railroad Company – Abandonment – In Crawford and Labette Counties, KS*, ICC Docket No. AB-6 (Sub-No. 300) (February 1, 1989), 1989 ICC LEXIS 22, *5.⁶

⁵ The report estimated that an additional \$402,000 of work would have been required to upgrade the track north of Greenberry which has since been sold.

⁶ This prevents the railroad from having to absorb unamortized rehabilitation expenses where there is no guarantee of service demand or subsidies. *CSX, supra*; *Burlington Northern, supra*.

WPRR continued to operate the Line, but in June 2007, following a period of frequent derailments, WPRR embargoed the Line, together with an additional 5.35 miles to Corvallis.

WPRR, as a Class III carrier, is not required to keep on-branch and off-branch costs, and therefore does not have specific records of the maintenance spent on the Line. The Board has in the past accepted approximately \$6,500 per mile as a reasonable estimate of the costs of maintaining a Line in FRA Class 1 track condition. *Burlington Northern, supra*, at *17 (finding BN's estimated annual maintenance of \$6,418 – in 1989 – as “very reasonable”).⁷ This would equate to a maintenance cost of \$113,880 per year.

In 2007, the condition of the Line was so bad that the round trip to the largest shipper at the end of the Line in Dawson, including switching the customer, could not be completed in a single 12 hour shift. This required WPRR to taxi the crew between the dead-headed train and Corvallis. The total trip would take approximately 16 hours. Based on the level of business in 2007, annual crew costs alone for serving the shipper was approximately \$56,000.⁸

Thus, the revenue from the Line would not cover the needed rehabilitation, let alone the estimated maintenance costs, crew costs for service to Dawson, and the additional costs of operating rail service (including other crew costs, FRA-mandated track and bridge inspections, locomotive depreciation, fuel and equipment maintenance and off branch costs). Continued

⁷ While WPRR believes its costs of maintaining this lightweight line were higher, it accepts the estimate for the purpose of this Petition.

⁸ In 2007, WPRR was using a one man crew and remote control to provide service on the Line. The shipper shipped 3 to 5 cars at a time, requiring approximately 70 trips. The locomotive engineer was paid approximately \$40.00 per hour (including wage plus benefits, supplies and management overhead, but not G&A or other overhead costs such as insurance). At 16 hours per trip, plus approximately \$160 of taxi costs, each trip cost WPRR approximately \$800.

ownership, including the rehabilitation that would be required, and operation of the Line would create a burden on WPRR, UP and on interstate commerce.

WPRR and UP made significant efforts with public and private interests to preserve service through a sale or support during which time the embargo was kept in place. The efforts were largely unsuccessful; however, an agreement was reached with a shipper near Greenberry under which the shipper's affiliate purchased approximately 5.35 miles of the line south of Corvallis and entered into an agreement under which a new short line took over operations. *See VFRC, LLC–Acquisition Exemption–Union Pacific Railroad Company*, STB Finance Docket No. 35353 (served March 10, 2010); *Albany & Eastern Railroad Company–Acquisition and Operation Exemption–Union Pacific Railroad Company and Willamette & Pacific Railroad, Inc.*, STB Finance Docket No. 35355 (served March 10, 2010). This reduced the length of the line to be abandoned. In making the sale, UP and WPRR each reserved limited overhead trackage rights to reach the Line pending the disposition of the requests for abandonment and discontinuance. The transactions with VFRC and Albany & Eastern Railroad Company (“AERC”) closed last year. To allow service to be restored on the line being sold, WPRR did not renew the embargo which expired as of June 18, 2010. With no prospects for preserving the remainder of the Line, UP and WPRR proceeded with the environmental and historic consultation process and with the abandonment and discontinuance of the Line.

WPRR should not be required to continue what would clearly be unprofitable operations, and UP should be permitted to salvage the rail and otherwise be permitted to be relieved of the opportunity costs of keeping the Line in place. Since the retained overhead trackage rights would have no utility if the requested abandonment and discontinuance were

granted as requested, WPRR and UP request that they simultaneously be granted discontinuance authority with respect to the trackage rights.

Discontinuance of Service, and Abandonment of the Line Should Be Exempted

The discontinuance of service by WPRR, and the abandonment by UP, of the Line would each require authorization pursuant to 49 U.S.C. §10903 unless the exemption requested herein is granted. The Board is directed by 49 U.S.C. §10502 to grant an exemption if it finds that (1) regulation is not necessary to carry out the rail transportation policy of 49 U.S.C. §10101, and (2) either the transaction is limited in scope or regulation is not needed to protect shippers from the abuse of market power.

Under 49 U.S.C. §10502 and 49 C.F.R. §1152.60, there is no requirement for a carrier to submit all of the detailed financial data that would be required if abandonment authority were being sought under 49 U.S.C. §10903 and the regulations relating thereto. Indeed, there is no specific requirement that any financial data be submitted.⁹

Although there has been no service on the Line for over two years, the proposed discontinuance and abandonment are not eligible for the two year out of service class exemption because the Line has been subject to embargo, and did have traffic in the two year period prior to the embargo. However, given the length of time since the embargo was imposed, it is clear that customers on the Line have had time, and been able to arrange for, alternative transportation. It is clear from the limited cost data that WPRR and UP have provided that projected costs of

⁹ Requirements to the contrary would run counter to the principal goals of an exemption proceeding. As the Interstate commerce Commission found with respect to the two year out-of-service class exemption under 49 C.F.R. §1152.50: “The exemption process now relieves carriers from the need to prepare the costing and valuation studies that are required for Section 10903 abandonment applications. This saves the carriers considerable time and money and allows for expeditious regulatory relief.” *Exemption of Rail Line Abandonments or Discontinuance – Offers of Financial Assistance*, 4 ICC 2d 164 (1987).

rehabilitating the Line to FRA Class 1 track condition, and of maintaining and operating the Line thereafter, would exceed the revenues that could be earned from on-line shippers. Abandonment would allow UP to obtain value from the Line (currently without service and providing no value) by allowing salvage of the rail and sale of the real property.

This discontinuance and abandonment of only 17.52 miles of rail line located in a single county in Oregon does not require detailed scrutiny to carry out the rail policies of 49 U.S.C. §10101, and is in keeping with the Board's overall policy of removing unnecessary regulatory barriers from carriers. Traffic has been minimal, with the Base Year and Forecast Year reflecting less than 25 carloads per mile. (The Line is stub-ended and there is no overhead traffic that can use the Line.) As will be discussed more fully below, it is clear that the costs of rehabilitating the Line and the ongoing costs of maintenance and operation that would be required thereafter substantially exceed the potential revenue that would be generated on the Line under current projections. Approval of the requested exemptions under 49 U.S.C. §10502 will enable WPRR to discontinue service over the Line, and will enable UP to abandon the Line and make better use of its resources without the extensive costs and delays that would otherwise occur if an application were required to be filed under Section 10903. Further, granting the exemption is in keeping with the following rail policies described in 49 U.S.C. §10101:

* * *

(2) to minimize the need for Federal regulatory control over the rail transportation system and to require fair and expeditious regulatory decisions when regulation is required;

(3) to promote a safe and efficient rail transportation system by allowing rail carriers to earn adequate revenues...

* * *

(5) to foster sound economic conditions in transportation...

* * *

(7) to reduce regulatory barriers to entry into and exit from the industry...

* * *

(9) to encourage honest and efficient management of railroads;

* * *

(15) to provide for the expeditious handling and resolution of all proceedings.

Moreover, the grant of the exemption will not be inconsistent with any of the 15 items which have been made a part of rail transportation policy by 49 U.S.C. §10101.

The scope of the exemption requested is limited and will have limited direct impact on shippers. There were only three active on-Line shippers at the time the Line was embargoed, and one shipper at the very end of the Line represented over 80% of the traffic. That shipper has motor carrier alternatives and does not need to rely on rail service for its business.

Since the proposed transaction is of limited scope, it is not necessary for the Board to consider whether shippers need to be protected from abuse of market power. However, even if the Board were to consider market power, it is clear that shippers do not need to be protected from its abuse. As noted above, there were only three active shippers prior to the abandonment, with one shipper representing over 80% of the carloads shipped. Since these shippers that previously used the Line have other transportation alternatives, regulation is not needed to protect shippers from abuse of market power. *See Delta Southern Railroad, Inc. – Abandonment Exemption – In Desha and Chicot Counties, Ark.* STB Docket No. AB-384 (Sub-No. 3X), served March 23, 2011, at 3; *Minnesota Northern Railroad, Inc. – Abandonment Exemption – Between Redland Jct. and Fertile, in Polk County, MN*, STB Docket No. AB-497 (Sub-No. 2x) (served November 14, 1997), 1997 STB LEXIS 294 at *24. No formal complaint by a user of rail

service on the Line, or a state or local government entity acting on behalf of such a user, regarding cessation of service over the Line either is pending with the Board or any U.S. District Court or has been decided in favor of a complainant within the last two years.

Discontinuance of Trackage Rights Should Be Exempted

The limited overhead trackage rights retained by WPRR and UP have utility only to allow access to the Line. If the abandonment and discontinuance of service requested by UP and WPRR respectively are granted, there will be no reason to continue the trackage rights in effect. No shipper would be affected by the discontinuance of trackage rights since they are overhead only, and service to shippers served by the Trackage Rights Line will be continued by AERC.

Additional Information

Although not required under the Board's regulations for abandonment/discontinuance petitions for exemption, WPRR and UP provide the following additional information that would be required under 49 C.F.R. 1152.50(d)(2) and 1152.22 if this Combined Petition were filed under the Board's class exemption:

(a)(1) The exact names of applicants are: Willamette & Pacific Railroad, Inc. and Union Pacific Railroad Company.

(a)(2) WPRR and UP are common carriers by rail subject to 49 U.S.C. Subtitle IV, chapter 105. WPRR currently holds the common carrier operating authority for the Line, while UP owns the Line and has residual common carrier authority.

(a)(3) WPRR seeks to discontinue service over the Line. UP seeks to abandon the Line.

(a)(4) A map of the Line is attached as Exhibit A.

(a)(7) The representative of WPRR to whom correspondence should be sent is: Eric M. Hocky, Thorp Reed & Armstrong, LLP, One Commerce Square , 2005 Market St, Suite 1000,

Philadelphia, PA 19103. The representative of UP to whom correspondence should be sent is: Mack H. Shumate, Jr., Senior General Attorney, 101 North Wacker Drive, #1920, Chicago, IL 60606.

(a)(8) The Line traverses through United States ZIP Codes 97333 and 97456.

(e)(4) The Line may be suitable for use for other public purposes.

WPRR and UP propose to consummate the discontinuance and abandonment at the earliest possible date permitted by the Board.

Employee Protection

Although no employees of either WPRR or UP are expected to be affected by the abandonment, WPRR and UP recognize that this abandonment will be made subject to the employee protective conditions in *Oregon Short Line Railroad Co.--Abandonment--Goshen*, 360 ICC 91 (1979).

Environmental And Historic Reports

A Combined Environmental and Historic Report, required by 49 C.F.R. §1121.3(a) and §1152.60, was filed by UP and WPRR with the Board on March 29, 2011, and was served on additional agencies in accordance with the requirements of 49 C.F.R. §§1105.7 and 1105.8. As noted in the EHR, Applicants complied with the notice requirements of 49 C.F.R. §1105.11.¹⁰

¹⁰ An environmental and historic report is not required for a discontinuance. Thus, no report was required with respect with the proposed discontinuance of the retained trackage rights. *See Norfolk Southern Railway Company – Discontinuance of Service Exemption – In St. Joseph and LaPorte Counties, IN*, STB Docket No. AB-290 (Sub-No. 307X) (served June 18, 2008); *Everett Railroad Company – Discontinuance of Service Exemption – In Blair County, PA*, STB Docket No. AB-721X (served November 16, 2007); *Columbus and Greenville Railway Company – Discontinuance of Service Exemption – In Greenwood, MS*, STB Docket No. AB-297 (Sub-No. 103X) (served July 2, 2007). *See also* 49 CFR §1105.6(b)(3).

Notice

Pursuant to the provisions of 49 C.F.R. §1152.60(c), Applicants have attached, as Exhibit C, a draft Federal Register notice of its petition to be published by the Board within 20 days of the petition's filing with the Board.

A notice as required by 49 C.F.R. §1105.12 was published in the *Corvallis Gazette-Times* on April 29, 2011. A copy of the notice, and the proof of publication are attached as Exhibit D.

A copy of this Combined Petition is being sent to all parties who received a copy of the EHR, the persons designated in 49 C.F.R. §1152.50(d), as well as to the shippers who used the Line in the Base Year, and in the calendar year prior to the Base Year.

Conclusion

For the foregoing reasons, WPRR and UP request that the Board, under 49 U.S.C. §10502, exempt their respective discontinuance of service and abandonment of the Line from regulation under 49 U.S.C. §10903.

Respectfully submitted,

UNION PACIFIC RAILROAD COMPANY

By: 

Mack H. Shumate, Jr.

Senior General Attorney

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Chicago, IL 60606

(312) 777-2055

(312) 777-2065 (may)

mackshumate@up.com

WILLAMETTE & PACIFIC RAILROAD, INC.

By: 

Eric M. Hocky

Thorp Reed & Armstrong, LLP

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(215) 640-8500

(215) 640-8501 (fax)

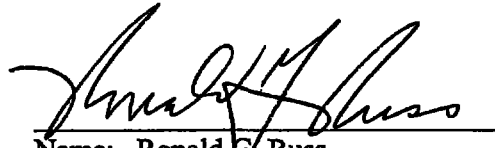
ehocky@thorpreed.com

Dated: May 20, 2011

Verification

I hereby verify on behalf of Willamette & Pacific Railroad, Inc., under penalty of perjury that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this Verification.

Executed on May 20, 2011.


Name: Ronald G. Russ
Title: President

VERIFICATION

STATE OF NEBRASKA)

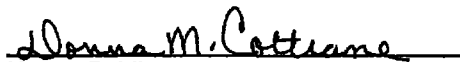
COUNTY OF DOUGLAS) ss:
)

I, RAYMOND E. ALLAMONG, JR., Senior Manager Rail Line Planning of Union Pacific Railroad Company, declare under penalty of perjury, under the laws of the United States of America, that I have read the foregoing document and that its assertions are true and correct to the best of my knowledge, information and belief. I further declare that I am qualified and authorized to submit this verification on behalf of Union Pacific Railroad Company.

Dated at Omaha, Nebraska, this 28th day of April, 2011.


Raymond E. Allamong, Jr.

SUBSCRIBED AND SWORN TO
before me this 28th day of
April, 2011.

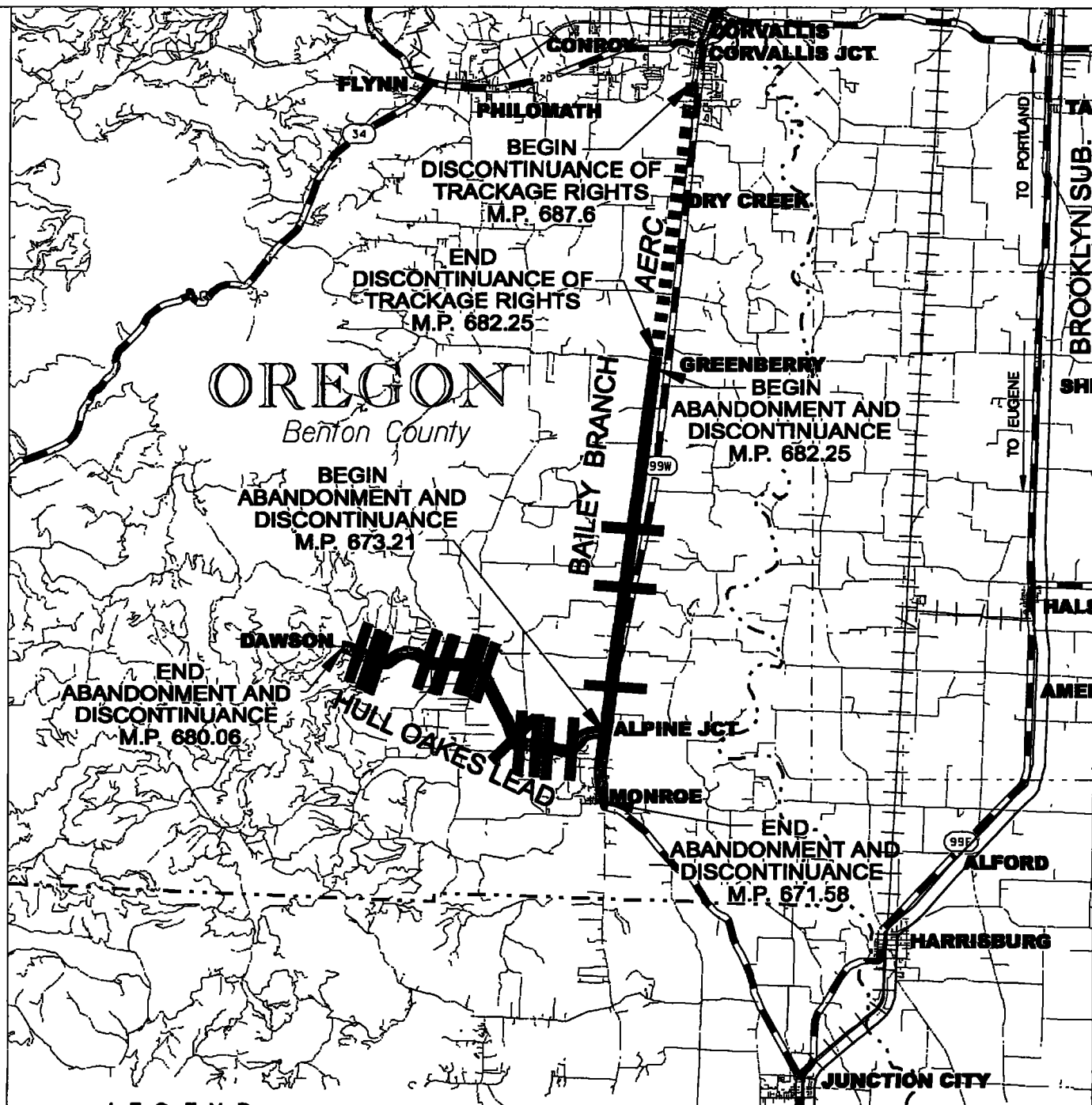

Notary Public

My Commission expires: _____



EXHIBIT A

MAP



HULL OAKES LEAD			
BRIDGE NO.	BRIDGE TYPE	TOTAL LENGTH	DATE
674.04	2 SPAN TIMBER PILE TRESTLE OPEN DECK	30'	1937
674.58	1 SPAN TIMBER PILE TRESTLE OPEN DECK	10'	1930
674.83	1 SPAN TIMBER PILE TRESTLE OPEN DECK	10'	1930
674.84	1 SPAN TIMBER PILE TRESTLE OPEN DECK	10'	1930
675.21	7 SPAN TIMBER PILE TRESTLE OPEN DECK	10'	1941
675.36	2 SPAN TIMBER PILE TRESTLE OPEN DECK	30'	1938
676.97	4 SPAN TIMBER PILE TRESTLE OPEN DECK	60'	1913
677.23	1 SPAN TIMBER PILE TRESTLE OPEN DECK	15'	1913
677.32	1 SPAN TIMBER PILE TRESTLE OPEN DECK	15'	1913
677.4	2 SPAN TIMBER PILE TRESTLE OPEN DECK	27'	1913
677.88	1 SPAN TIMBER PILE TRESTLE OPEN DECK	15'	1919
677.95	3 SPAN TIMBER PILE TRESTLE OPEN DECK	42'	1913
678.32	5 SPAN TIMBER PILE TRESTLE OPEN DECK	75'	1952
679.4	5 SPAN TIMBER PILE TRESTLE OPEN DECK	75'	1930
679.53	2 SPAN TIMBER PILE TRESTLE OPEN DECK	30'	1939
679.61	5 SPAN TIMBER PILE TRESTLE OPEN DECK	73'	1930
679.91	3 SPAN TIMBER PILE TRESTLE OPEN DECK	45'	1932
BAILEY BRANCH			
BRIDGE NO.	BRIDGE TYPE	TOTAL LENGTH	DATE
674.25	3 SPAN TIMBER PILE TRESTLE OPEN DECK	45'	1931
676.46	3 SPAN TIMBER PILE TRESTLE OPEN DECK	45'	1928
677.74	2 SPAN TIMBER PILE TRESTLE OPEN DECK	30'	1960

EXHIBIT B

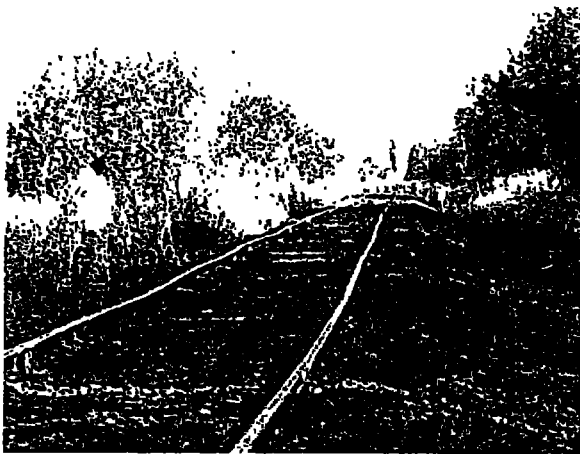
REHABILITATION ESTIMATE

Track Assessment
Portland & Western
West Side and Bailey Districts
Corvallis to Monroe and Dawson

Synopsis

The Portland & Western (P&W) track segment from Corvallis to Monroe and Dawson is in very poor condition. The track structure—subgrade, ballast, ties, fastenings, and rail—are not adequate for the loadings imposed by the operation, which includes 110-ton cars. The track lies primarily in a floodplain, with poor soil and a high water table. The poor track structure and the weak subgrade result in soft spots, generally about 200-400 feet long, where the track geometry is highly variable and unpredictable. These soft spots are along the entire route from Corvallis to Monroe.

The P&W has had and will likely continue to have derailments along this segment. The track condition is very poor and the subgrade failures are unpredictable. A given soft spot may have adequate geometry when inspected and actually fail during the next train movement.



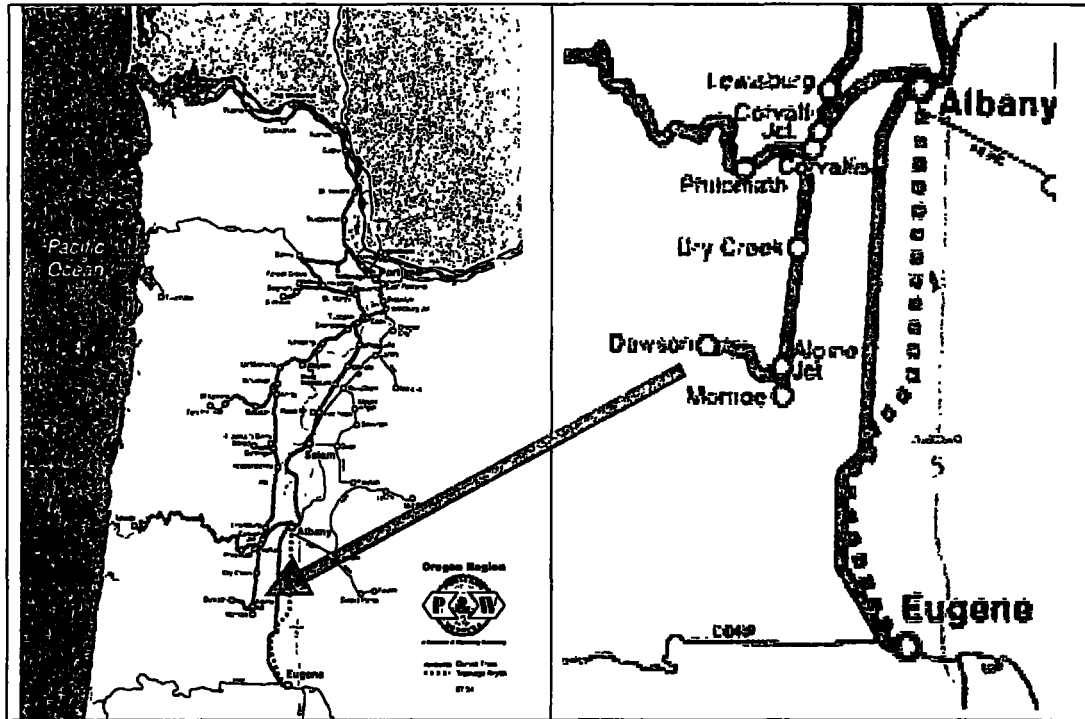
In order to reduce the possibility of derailments, the P&W should repair the soft spots and improve the tie condition. The cost of such repairs will be significant, given the scope and location of the work.

Route Description

General

The subject track segment lies generally between Corvallis and Monroe, Oregon in Benton County. Mileposts increase from Monroe (MP 671.6) to just south of Corvallis (MP 687.6) which is basically the yard limit for Corvallis. The adjacent Bailey District/Hull Oakes Spur leaves the West Side Subdivision at Alpine Jct. (MP 673.0) and proceeds westward to Dawson (MP 680.0). Timetable and track

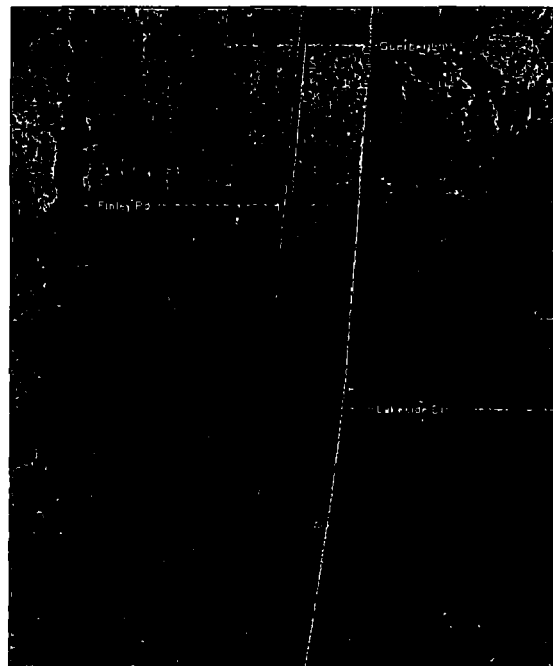
chart/condensed profile data are attached. The location is shown on the following map. The track is generally tangent, with a few open deck timber bridges and several rural road crossings.



Topography

Most of the track is in the flood plain between the Long Tom River and the Willamette River. A portion of the Hull Oakes Spur is along a creek as it approaches the sawmill in Dawson.

The track is built on a very low embankment. The aerial photo at right (track shown in red) shows the alluvial, flood plain nature of the topography. The track is flooded almost annually in a number of locations. The soil is weak and is frequently saturated.



The photo below shows the flat topography and the minimal embankment for the railroad. The track has very poor drainage and the right of way is frequently used to provide drainage for the adjacent fields. When the ground is wet, the track structure remains saturated.



Track Structure

The rail is primarily 75 and 80-lb, with small portions of larger rail. A track chart with rail information is attached. This is very lightweight rail for current loading conditions and would typically require replacement before operating 110-ton or even 100-ton cars. The rail and fastening condition is poor, which consequently adds loading to the track structure below.

Tie condition is poor, with numerous broken and failed ties. Tie replacements in the last ten years have focused on joint support. The ballast is fouled in many locations.

The subgrade condition is obviously very poor with several significant soft spots per mile. The overall track condition, in highway terms, is analogous to an unimproved dirt or gravel road in an area with poor soil conditions. Train

operation using heavy cars is comparable to operating heavy and even overloaded trucks on such a poor road. Heavy use or use during wet periods results in subgrade failure and everything bogs down.

Operation

The track segment is FRA Excepted Track and is operated at 5 MPH. Operation is more or less weekly. Operation on the Hull Oakes spur requires that the train back into the sawmill, a distance of about 7 miles. Some cars are 110-ton cars or 286,000 pounds loaded weight.

Excepted Track

This segment has been designated by the P&W as *Excepted Track*, as provided in 49CFR Part 213.4. This track designation allows the owner to continue to operate on track that **does not** meet the minimum FRA track safety standards for Class 1 (10 MPH operation) as long as the owner meets a number of specified conditions, such as regular inspection and limited movement of hazardous materials. Excepted Track was approved by the FRA in the 1980's and has been used by most carriers, primarily for tracks that are used very little and therefore cannot justify major repairs.

However, inspection and repairs obviously continue. The owner must protect the equipment and crews from hazards. A copy of the regulation is attached.

Inspection

The segment was inspected on July 24, 2006 and the accompanying photos were taken at that time. The area was relatively dry. The track has numerous FRA class 1 defects that would ordinarily require repair to allow an ongoing operation.

Defects include:

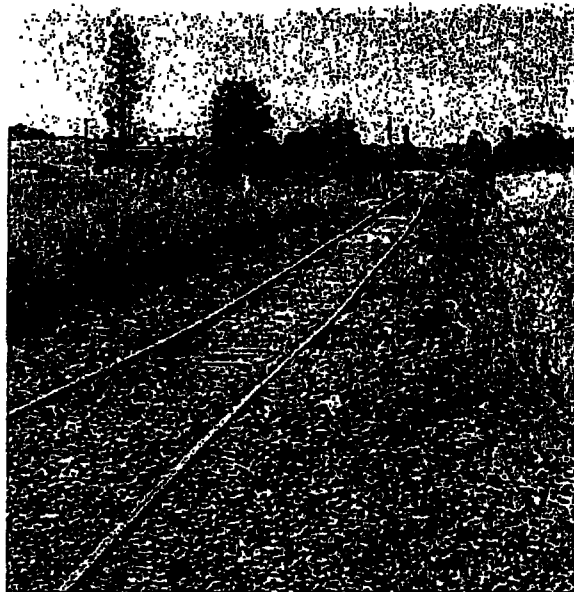
- Broken rails
- Broken angle bars
- Inadequate effective ties (shown at right)
- Excessive gage
- Excessive crosslevel
- Excessive alignment deviations



Many of these defects will cause a derailment, even at the low 5 MPH operating speed. Broken rails and defective ties will generally cause the car or locomotive wheel to "fall in" or land on the ties. Geometry defects such as crosslevel and alignment deviations can result in the wheel going over the rail and the car or locomotive having a greater potential to turn over. That has been the case with several of the derailments that have occurred on the line.

There are numerous locations where the FRA track geometry limitations are exceeded, such as crosslevel at 4 inches (FRA maximum 3 inches) and alignment at 6 inches (FRA maximum 5 inches).

There are numerous soft spots, where the subgrade has failed and the track structure is out of crosslevel, alignment, and gage. There are also a number of derailment sites where one or more of the above conditions resulted in a derailment of one or more cars. In some cases, the cars turned over. A typical soft spot is shown at right. The subgrade is failing and the ballast and subgrade under the track are being pushed up at the ends of the ties.



As the photo shows, the failed subgrade causes profile, crosslevel and alignment defects. These geometry defects in turn overload portions of the track structure, causing broken ties and failed tie plates. This in turn causes even worse geometry and wide gage.

A frequent temporary repair of such a problem is to add ballast and raise the track up. This actually adds to the stress on the failed subgrade by adding weight and porous material that accumulates water on top of the weak soil. A permanent repair requires replacement of the weak soil with better material.

Major Comments

The core question is whether continued operation is safe. This is a relative question, since the application of Excepted Track means that the established and accepted FRA Track Safety Standards are not applied. The subsidiary question is whether inspection and spot repairs can prevent derailments and accidents where the crews, equipment and lading are subject to injury or damage.

In many cases of excepted track, the usage is seasonal. In this case, the usage is regular. In many cases, only a portion of the track structure is in poor condition. In this case, the track is in regular use and all portions of the track structure—rail, fastenings, ties, ballast, and subgrade are not adequate for the regular loadings it receives. This is especially true in the winter when the subgrade is even more saturated than in the summer.

This 100% failure condition shows up clearly in the numerous soft spots, where 200-400 feet of track will be sinking and out of alignment and crosslevel. The poor geometry overloads the rail, tie plates, and ties. The broken ties and plates cause worse geometry and more rail stress, resulting in even worse conditions.

There are so many defects and soft spots that the inspector will have difficulty identifying the defects that might cause a derailment. In the case of the soft spots, track geometry defects increase with train traffic and may even become hazardous as the train goes over the soft spot.

Conclusions

Because of the soft spots and the high number of defects, the P&W operation is a substantial risk, even at 5 MPH. Derailments will continue. Continued operation, even on an excepted track basis, calls for repairs of the worst tie and rail conditions and repair of the soft spots. Operation on a non-excepted basis will require additional repairs to improve tie and rail condition.

The attached estimate outlines the costs for the two options—Excepted and ordinary Class 1 track. In both cases, the owner must address the soft spots.

West Side/Hull Oakes Inspection

Timetable

52 WILLAMETTE & PACIFIC									
WESTWARD↓		West Side District					↑ EASTWARD		
Speed Zone	Mile Post	STATIONS			Rule 4.3		Siding Length	Miles	
20	748.5	NEWBERG (PNWR Conn)	JY				Yard	76.8	
	746.1	DUNDEE						74.4	
25	742.1	DAYTON (Spur)						70.4	
	739.5	LAFAYETTE						67.8	
	738.0	ST JOSEPH	TY				Yard	66.4	
	736.0	* Defector							
20	734.9	McMINNVILLE	Y				Yard	63.3	
	730.7	WHITESON	JTY				1750	59.1	
	728.1	AMITY						56.5	
25	722.8	McCOY				TWC		51.2	
	718.4	CROWLEY						46.8	
20	715.0	DERRY	Y					42.4	
	714.3	GERLINGER	JTY					42.7	
10	710.5	V&S JCT	J				Yard	38.9	
	709.3	INDEPENDENCE						37.7	
	704.0	PARKER						30.4	
40	702.0	SUVER						28.4	
	699.1	WELLSDALE					1000	27.5	
	693.1	LEWISBURG						21.5	
20	688.9	CORVALLIS JCT	JTY					18.3	
	688.9	CORVALLIS	JT				Yard	17.3	
	684.6	DRY CREEK						13.0	
	681.3	GREENBERRY				YL	2600	9.7	
10	674.8	BURNETT					1280	3.2	
	673.0	ALPINE JCT	J					1.4	
	671.7	MONROE						0.1	
	671.6	END OF BRANCH	E					0.0	
AAR Frequency Channel ID District 44 160.770 Road Channel Newburg-Monroe									
PBX frequencies: AAR 07-160.215 Prospect Hill, AAR 17-160.365 Mary's Peak.									
Maximum Speed: 40 MPH									

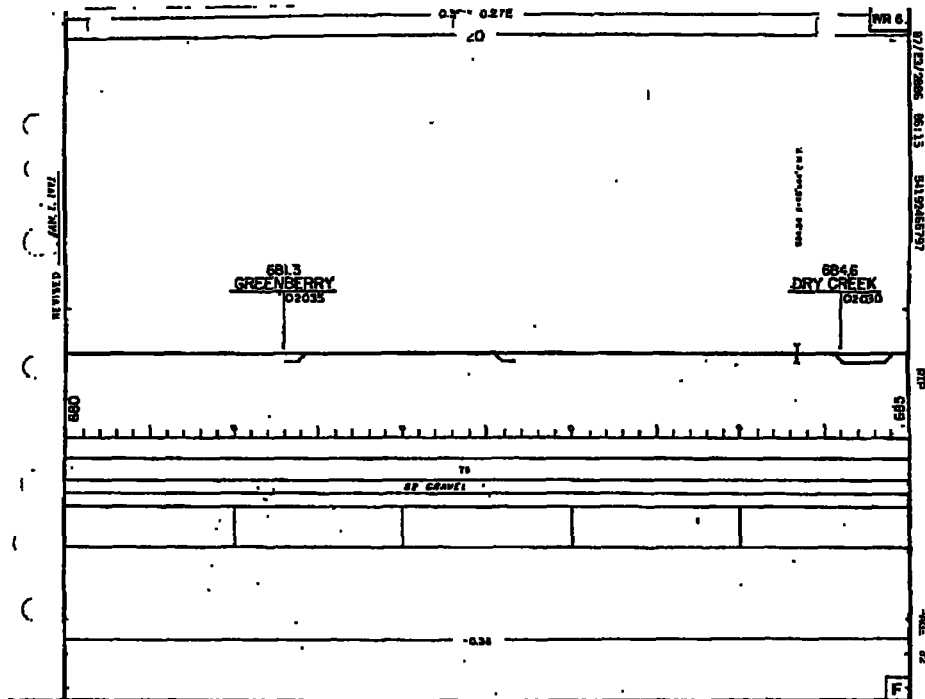
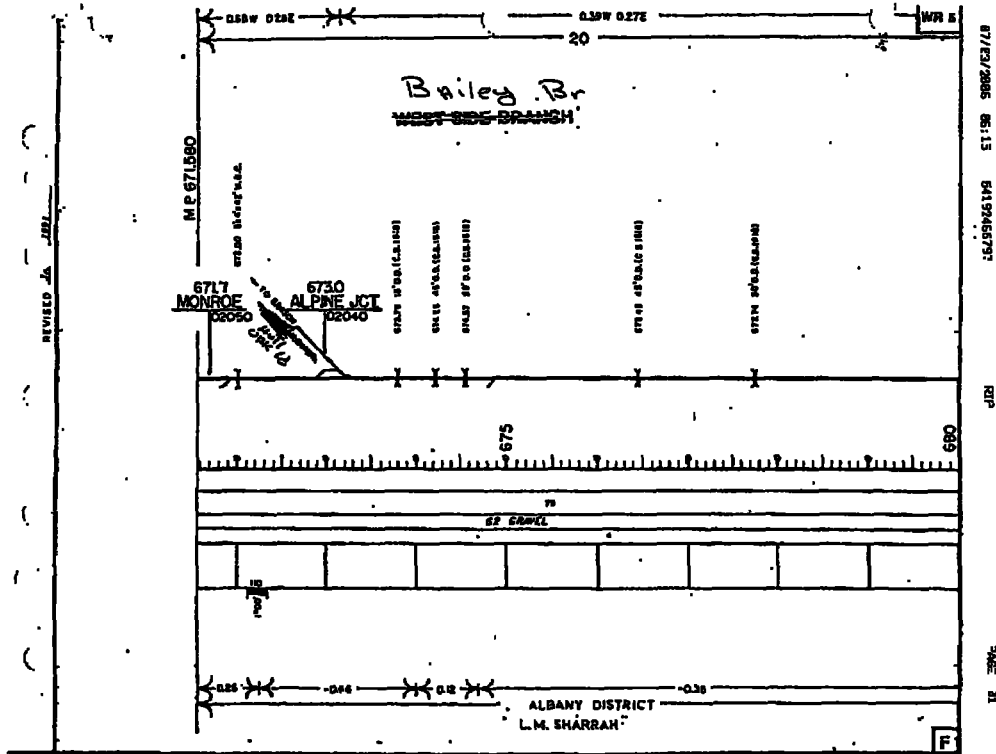
WESTWARD↓ Willamina District ↑ EASTWARD									
Speed Zone	Mile Post	STATIONS			Rule 4.3		Siding Length	Miles	
10	730.6	WHITESON	JTY				1750	0.0	
	737.2	WINCH (Spur)						6.6	
20	740.5	BALLSTON				TWC		9.9	
	744.7	SHERIDAN						14.1	
10	746.3	SHIPLEY						15.7	
	749.3	WILLAMINA	JY				Yard	18.7	
AAR Frequency Channel ID District 44 160.770 Road Channel Whiteson-Willamina									
PBX frequency: AAR 07-160.215 Prospect Hill									
Maximum Speed: 20 MPH									

WESTWARD↓ Hampton Railway ↑ EASTWARD									
Speed Zone	Mile Post	STATIONS			Rule 4.3		Siding Length	Miles	
10	0.0	WILLAMINA	J			YL		5.2	
	5.2	FORT HILL	E					0.0	
AAR Frequency Channel ID District 44 160.770 Road Channel Willamina-Fort Hill									
Maximum Speed: 10 MPH.									

WESTWARD↓ Bailey District ↑ EASTWARD									
Speed Zone	Mile Post	STATIONS			Rule 4.3		Siding Length	Miles	
10	673.0	ALPINE JCT	J			YL	1280	0.0	
	677.0	BELLFOUNTAIN						4.0	
	679.9	DAWSON						6.9	
	680.0	END OF BRANCH	E					7.0	
AAR Frequency Channel ID District 44 160.770 Road Channel Alpine Jct-Dawson									
PBX frequency: AAR 17-160.365 Mary's Peak.									
Maximum Speed: 10 MPH.									



Track Charts



[illegible]

West Side/Hull Oakes Inspection

[illegible]

NUT OAKS Ld

WEEKLY RAIL AND BALLAST CHART

West or Single Track

085600

Date: JULY 23 1952

107	108	109	110	111	112	113	114	115	116
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MILE OF RAIL									
WEIGHT									
MANUFACTURER ETC.									
TEND LAD									
TEND ROLLED									
TEND LAD & ROLL ROLLS									
OF EACH PLATE									

MILE OF RAIL									
WEIGHT									
MANUFACTURER ETC.									
TEND LAD									
TEND ROLLED									
TEND LAD & ROLL ROLLS									
OF EACH PLATE									

Estimates

Because of the soft spots and the high number of defects, the P&W operation is a substantial risk, even at 5 MPH. Derailments will continue. Continued operation, even on an excepted track basis, calls for repairs of the worst tie and rail conditions and repair of the soft spots. Operation on a non-excepted basis will require additional work to replace non-compliant ties and rails. The following estimate outlines the costs.

Estimate Items

Project Clearance—Much of the surrounding area is wetlands, protected land, and other regulated property. It may be necessary to get clearances and approvals for access and/or for the actual work.

Mobilization—Additional work to get material and equipment on site will be required because of the location and nature of the right of way.

Demobilization—Right of way cleanup and restoration may be required.

Tie Replacement Excepted—P&W has advised the cost of tie installed by a contractor at \$60. Only a minimum number of ties are used to repair the worst spots.

Tie Replacement Class 1—Same as above, with additional tie replacements to support Class 1 conditions.

Surfacing Excepted—P&W daily cost for a surfacing operation. Minimum effort to repair the worst spots.

Surfacing Class 1—Same as above, with additional surfacing to support Class 1 conditions.

Rail Replacement Excepted—Replacement of a minimum number of the worst defective rails.

Rail Replacement Class 1—Rail replacement consistent with Class 1 standards.





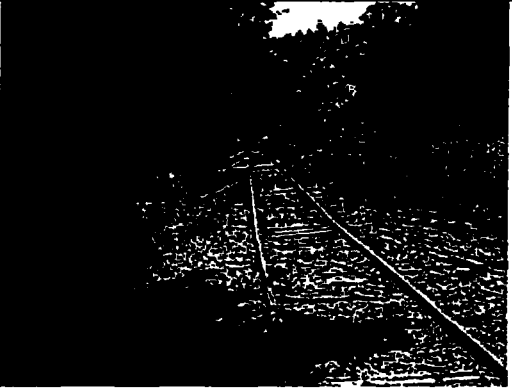
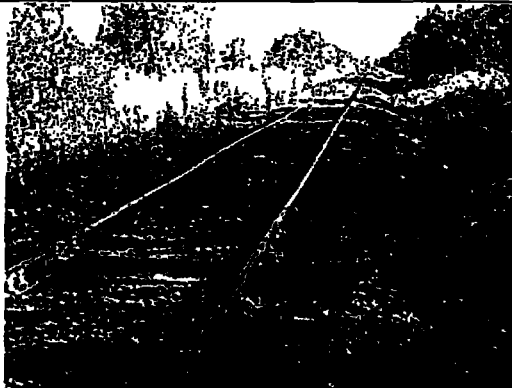
Soft Spots—Rehabilitation of the entire track structure and subgrade for a typical 250 ft. soft spot. Includes 1 cubic yard/ft of replaced embankment @ \$25/cubic yard, 100% new ballast @ \$15/ft, 50% ties @ \$20/ft, and use of the existing rails. Total of \$60/ft for 250 ft, or \$15,000.


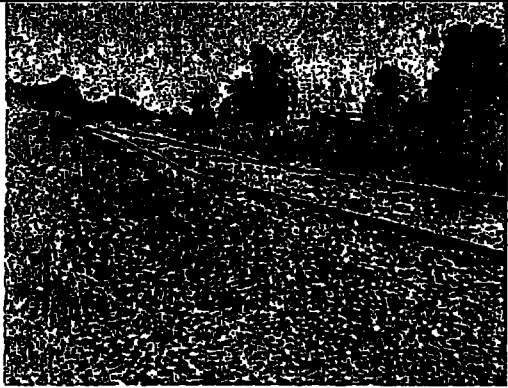
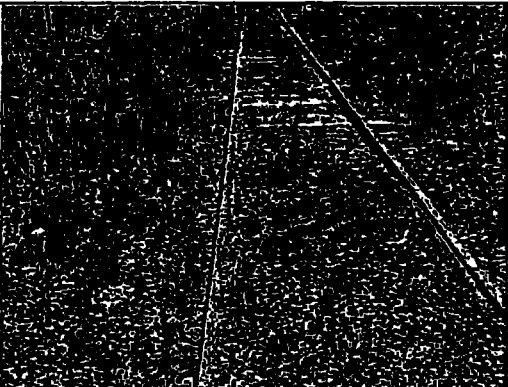
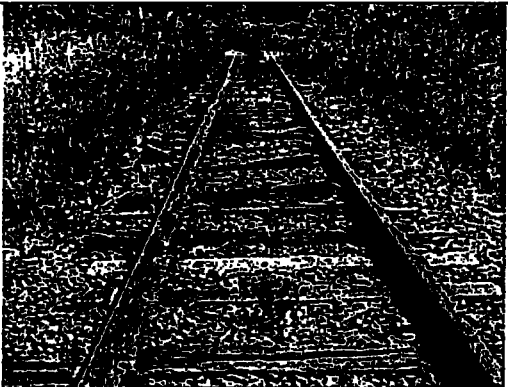
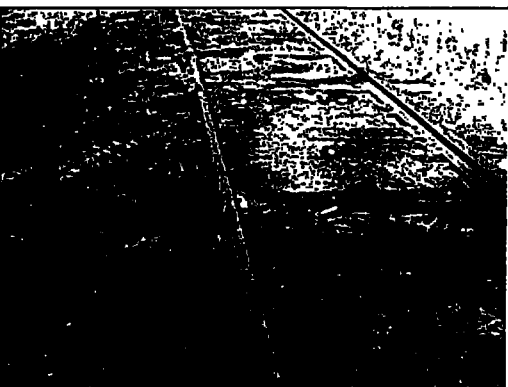
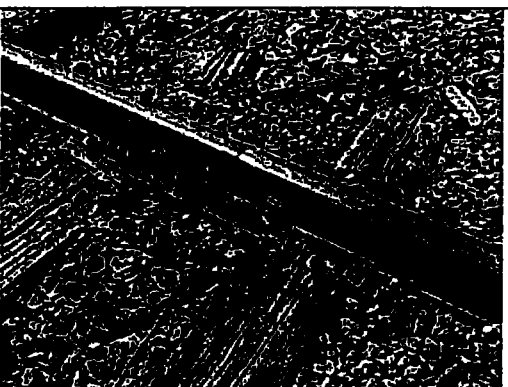
Engineering & Permits—Additional cost to plan, permit, administer, manage, and close out the project.


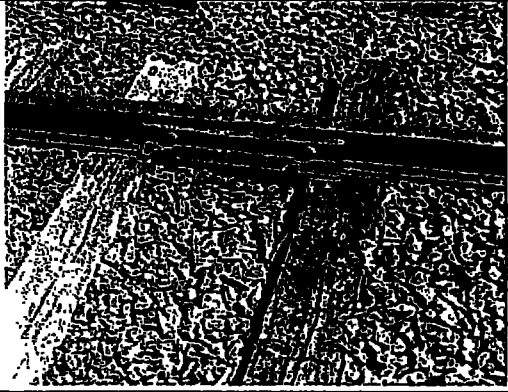

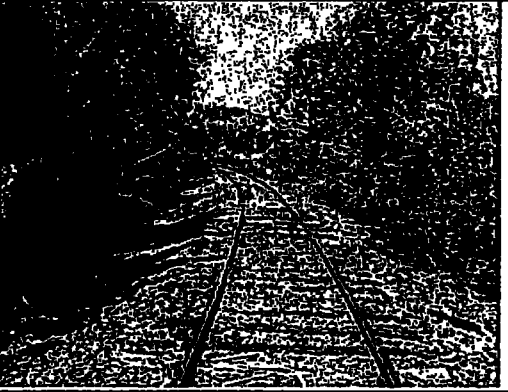
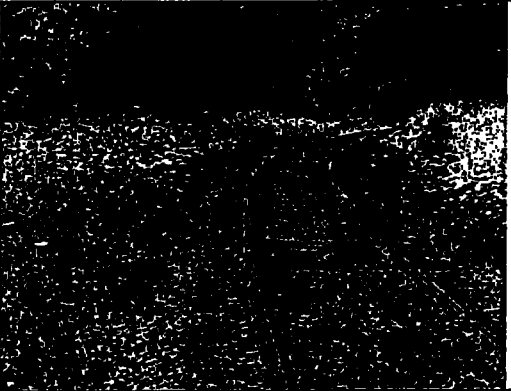
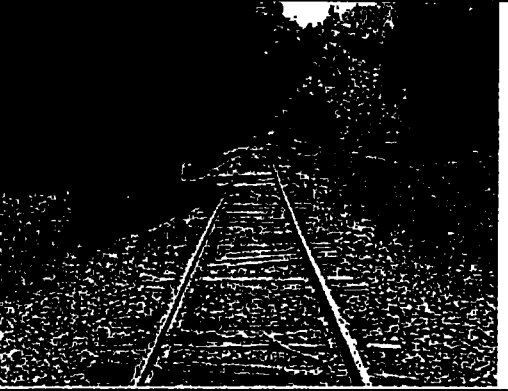
Estimates


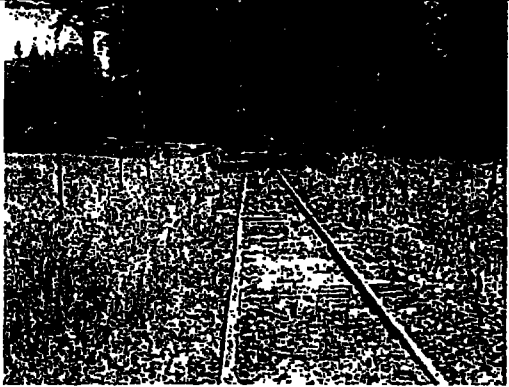


P&W West Side/Hull Oakes Track Repairs												
Scope: Repair the listed track segments as described.												
DESCRIPTION	QTY/Mile	UNIT	Unit Cost	Segment 1 West Side MP 682.5- 687.6			Segment 2 West Side MP 671.7- 682.5			Segment 3 Hull Oakes MP 673.0- 680.0		
				Length	Escaped	Total Cost	Length	Escaped	Total Cost	Length	Escaped	Total Cost
				5.1			10.8			7.0		
Project Clearance	1	LS	\$ 5,000									
Mobilization	1	LS	\$ 10,000									
Demobilization	1	LS	\$ 10,000									
Tie Replacement Escaped	100	Ea	\$ 60									
Tie Replacement Class 1	400	Ea	\$ 60									
Surfacing Escaped	1.0	Day	\$ 3,000									
Surfacing Class 1	2.0	Day	\$ 3,000									
Rail Replacement Escaped	185	R	\$ 10									
Rail Replacement Class 1	485	R	\$ 10									
Soft Spots	1	Ea	\$ 15,000									
Subtotal												
Construction Contingency	15%											
Total Construction Estimate												
Engineering & Permits	5%											
Project Contingency	20%											
Total Escaped												
Total Class 1												
Costs are rounded to nearest Thousand \$												
Prepared by JMU												

Representative Photos of Track Conditions

Typical Soft Spot in Track	Wide Gage in Road Crossing
	
Soft Spot, Fouled Ballast	Poor Road Crossing
	
Soft Spot, Poor Ties	Soft Spot, Track Raised out of Ballast
	

Soft Spot	Soft Spot
	
Fouled Ballast	Broken Ties
	
Poor Rail Condition	Poor Joint Condition
	

Broken Rail	Poor Joint Condition
	
Broken Ties, Evidence of water on track	Poor Curve Condition
	
Poor Alignment	Broken Ties
	

Poor Ties	Fouled Ballast
	
Broken Ties	Soft Spot
	

FRA Excepted Track—49CFR Part 213.4

Sec. 213.4 Excepted track.

A track owner may designate a segment of track as excepted track provided that--

(a) The segment is identified in the timetable, special instructions, general order, or other appropriate records which are available for inspection during regular business hours;

(b) The identified segment is not located within 30 feet of an adjacent track which can be subjected to simultaneous use at speeds in excess of 10 miles per hour;

(c) The identified segment is inspected in accordance with 213.233(c) and 213.235 at the frequency specified for Class 1 track;

(d) The identified segment of track is not located on a bridge including the track approaching the bridge for 100 feet on either side, or located on a public street or highway, if railroad cars containing commodities required to be placarded by the Hazardous Materials Regulations (49 CFR part 172), are moved over the track; and

(e) The railroad conducts operations on the identified segment under

the following conditions:

(1) No train shall be operated at speeds in excess of 10 miles per hour;

(2) No occupied passenger train shall be operated;

(3) No freight train shall be operated that contains more than five cars required to be placarded by the Hazardous Materials Regulations (49

CFR part 172); and

(4) The gage on excepted track shall not be more than 4 feet 10 1/4 inches. This paragraph (e) (4) is applicable September 21, 1999.

(f) A track owner shall advise the appropriate FRA Regional Office at least 10 days prior to removal of a segment of track from excepted status.

EXHIBIT C

DRAFT FEDERAL REGISTER NOTICE

STB Docket No. AB-986 (Sub-No. 1X)

**WILLAMETTE & PACIFIC RAILROAD, INC.
-- PETITION FOR DISCONTINUANCE OF SERVICE EXEMPTION --
BAILEY BRANCH AND HULL OAKES LEAD
IN BENTON COUNTY, OREGON**

STB Docket No. AB-33 (Sub-No. 257X)

**UNION PACIFIC RAILROAD COMPANY
-- PETITION FOR ABANDONMENT EXEMPTION --
BAILEY BRANCH AND HULL OAKES LEAD
IN BENTON COUNTY, OREGON**

STB Docket No. AB-976 (X)

Notice of Combined Petition for Exemption to Discontinue Service and Abandon Rail Line

On May 23, 2011, Willamette & Pacific Railroad, Inc. ("WPRR") and Union Pacific Railroad Company ("UP") filed with the Surface Transportation Board, Washington, D.C. 20423, a combined petition for exemption for the discontinuance of service over, and abandonment of, a line of railroad known as the Bailey Branch from M.P. 682.25 near Greenberry to M.P. 671.58 near Monroe (the "Bailey Branch"), and the Hull Oakes Lead from M.P. 673.21 near Alpine Jct. to M.P. 680.06 near Dawson (the "Hull Oakes Lead"), a total distance of 17.52 miles in Benton County, Oregon (collectively, the "Line"). The Line traverses through United States Postal Service ZIP Codes 97333 and 97456. The Line does not contain federally granted rights-of-way. Any documentation in UP's possession will be made available promptly to those requesting it.

WPRR and UP have also requested authority to discontinue their retained limited overhead trackage rights between M.P. 687.6 south of Corvallis and M.P. 682.25 near Greenberry, a distance of 5.35 miles, that will have no utility if the Line is the requests for abandonment and discontinuance authority are granted.

The interest of railroad employees will be protected by Oregon Short Line Railroad Co. - Abandonment - Goshen, 360 I.C.C. 91 (1979).

Any offer of financial assistance with respect to the proposed abandonment of the Line by UP will be due no later than 10 days after service of a decision granting the petition for exemption.

All interested parties should be aware that following abandonment of rail service and salvage of the Line, the Line may be suitable for other public use, including interim trail use. Any request for a public use condition and any request for trail use/rail banking will be due no later than 20 days after notice of the filing of the petition for exemption is published in the FEDERAL REGISTER.

Persons seeking further information concerning abandonment procedures may contact the Surface Transportation Board or refer to the full abandonment or discontinuance regulations at 49 CFR part 1152. Questions concerning environmental issues may be directed to the Board's Office of Environmental Analysis.

An environmental assessment (EA) (or environmental impact statement (EIS), if necessary) prepared by the Office of Environmental Analysis will be served upon all parties or record and upon any agencies or other persons who commented during its preparation. Any other persons who would like to obtain a copy of the EA (or EIS) may contact the Office of Environmental Analysis. The EA in these abandonment proceedings normally will be made available within 60 days of the filing of the petition. The deadline for submission of comments on the EA will generally be within 30 days of its service.

EXHIBIT D
NEWSPAPER NOTICE

NOTICE OF INTENT TO DISCONTINUE RAIL SERVICE AND ABANDON RAIL LINE

Willamette & Pacific Railroad, Inc. (WPRR) and Union Pacific Railroad Company (UP) give notice that on or about May 6, 2011, they intend to file with the Surface Transportation Board (STB), Washington, DC 20423, a combined petition for exemption under 49 USC 10502 from the prior approval requirements of 49 USC 10903, *et seq.*, permitting the discontinuance by WPRR of service on, and the abandonment by UP of, the 17.52 mile lines of railroad from M.P. 682.25 near Greenberry to M.P. 671.58 near Monroe, and from M.P. 673.21 near Alpine Jct. to M.P. 680.06 near Dawson, in Benton County, Oregon. The line traverses through United States ZIP Codes 97333 and 97456. The WPRR proceeding will be docketed as STB Docket No. AB-986 (Sub-No. 1X), and the UP Proceeding will be docketed as STB Docket No. AB-33 (Sub-No. 257X).

The Board's Office of Environmental Analysis (OEA) will generally prepare an Environmental Assessment (EA), which will normally be available 60 days after the filing of the petition for exemption. Comments on environmental and energy matters should be filed no later than 30 days after the EA becomes available to the public and will be addressed in a Board decision. Interested persons may obtain a copy of the EA or make inquiries regarding environmental matters by writing to OEA, Surface Transportation Board, 395 E Street, S.W., Washington, DC 20423-0001, or by calling OEA at 202-245-0295.

Appropriate offers of financial assistance to continue rail service can be filed with the STB. Requests for environmental conditions, public use conditions, or rail banking/trails use also can be filed with the STB. An original and 10 copies of any pleading that raises matters other than environmental issues (such as offers of financial assistance) must be filed directly with the STB's Section of Administration, Office of Proceedings, 395 E Street, S.W., Washington, DC 20423-0001 [see 49 CFR 1104.1(a) and 1104.3(a)], and one copy must be served on applicants' representatives [see 49 CFR 1104.12(a)]. Questions regarding offers of financial assistance, public use or trails use may be directed to the STB's Office of Public Assistance, Governmental Affairs and Compliance at 202-245-0238. Copies of any comments or requests for conditions should be served on the UP's representative: Mack H. Shumate, Jr., Senior General Attorney, 101 North Wacker Drive, #1920, Chicago, IL 60606; and on WPRR's representative: Eric M. Hocky, Esquire, Thorp, Reed & Armstrong, LLP, One Commerce Square, 2005 Market Street, Suite 1000, Philadelphia, PA 19103.

AFFIDAVIT OF PUBLICATION

NOTICE OF INTENT TO DISCONTINUE RAIL SERVICE AND ABANDON RAIL LINE

Willamette & Pacific Railroad, Inc. (WPRR) and Union Pacific Railroad Company (UP) give notice that on or about May 8, 2011, they intend to file with the Surface Transportation Board (STB), Washington, DC 20423, a combined petition for exemption under 49 USC 10502 from the prior approval requirements of 49 USC 10903, et seq., permitting the discontinuance by WPRR of service on, and the abandonment by UP of, the 17.82 mile lines of railroad from M.P. 682.25 near Greenberry to M.P. 671.58 near Monroe, and from M.P. 673.21 near Alpine Jct to M.P. 680.06 near Dawson, in Benton County, Oregon. The line traverses through United States ZIP Codes 97333 and 97456. The WPRR proceeding will be docketed as STB Docket No. AB-986 (Sub-No. 1X), and the UP Proceeding will be docketed as STB Docket No. AB-33 (Sub-No. 257X).

The Board's Office of Environmental Analysis (OEA) will generally prepare an Environmental Assessment (EA), which will normally be available 60 days after the filing of the petition for exemption. Comments on environmental and energy matters should be filed no later than 30 days after the EA becomes available to the public and will be addressed in a Board decision. Interested persons may obtain a copy of the EA or make inquiries regarding environmental matters by writing to OEA, Surface Transportation Board, 395 E Street, S.W., Washington, DC 20423-0001, or by calling OEA at 202-245-0295.

Appropriate offers of financial assistance to continue rail service can be filed with the STB. Requests for environmental conditions, public use conditions, or rail banking/trails use also can be filed with the STB. An original and 10 copies of any pleading that raises matters other than environmental issues (such as offers of financial assistance) must be filed directly with the STB's Section of Administration, Office of Proceedings, 395 E Street, S.W., Washington, DC 20423-0001 [see 49 CFR 1104.1(a) and 1104.3(a)], and one copy must be served on applicants' representatives [see 49 CFR 1104.12(a)]. Questions regarding offers of financial assistance, public use or trails use may be directed to the STB's Office of Public Assistance, Governmental Affairs and Compliance at 202-245-0238. Copies of any comments or requests for conditions should be served on the UP's representative; Mack H. Shumate, Jr., Senior General Attorney, 101 North Wacker Drive, #1920, Chicago, IL 60606; and on WPRR's representative; Eric M. Hocky, Esquire, Thorp, Reed & Armstrong, LLP, One Commerce Square, 2005 Market Street, Suite 1000, Philadelphia, PA 19103.

3118563

PUBLISH: 04/29/11

State of Oregon

SS)

County of Benton

I, Pam M. Burright, being first duly sworn depose and say, that I am the Legal Clerk of the Gazette-Times, a newspaper of general circulation, as defined by section 193.010 O.R.S., published at Corvallis, OR, in the aforesaid county and state; that the advertisement number 3118563, for the account number 60021934 described as (PO117019), a copy is hereto annexed, was published in the entire issue of said newspaper.

Start Date: 04-29-11

Stop Date: 04-29-11

Insertions: 1

Pam Burright
Cyndi R. Sprinkel-Hart

Subscribed and sworn to before me on Tuesday, May 03, 2011.



CERTIFICATE OF SERVICE

I hereby certify that on this date a copy of the foregoing document was served on the persons shown on the attached list, by first class mail, postage prepaid.



Eric M. Hocky

Dated: May 20, 2011

A. Persons Receiving Copy of HER

State Clearinghouse (or alternate):

Oregon Department of Transportation
Rail Division
555 13th Street N.E., Suite 3
Salem, OR 97301-4179

State Environmental Protection Agency:

Oregon Dept of Environmental Quality
811 SW 6th Avenue
Portland, OR 977204-1390

Head of each County:

Benton County Board of Commissioners
P.O. Box 3020
Corvallis, OR 97339-3020

Environmental Protection Agency

(Regional Office):

U.S. Environmental Protection Agency
Region 10
1200 Sixth Avenue, Suite 900
Seattle, WA 98101

State Historic Preservation Office:

Parks and Recreation Department
State Historic Preservation Office
725 Summer Street NE, Suite C
Salem, OR 97301-1266

U.S. Fish and Wildlife:

U.S. Fish & Wildlife
Region 1
911 NE 11th Avenue
Portland, OR 97232

U.S. Army Corps of Engineers:

U. S. Army Corps of Engineers,
Northwestern Division
P.O. Box 2870
Portland, OR 97208-2870

National Park Service:

Pacific West Regional Office
National Park Service
One Jackson Center
1111 Jackson Center, Suite 700
Oakland, CA 94607

U.S. Natural Resources Conservation Service:

State Conservationist
Natural Resource Conservation Service
1201 NE Lloyd Blvd
Portland, OR 97232

National Geodetic Survey:

National Geodetic Survey
Geodetic System Division
Information Services
NOAA/NGS12
1315 E-W Highway
Silver Spring, MD 20910-3282

B. Persons to Receive Notices under 49 CFR 1152.50(d)

Oregon Department of Transportation
Rail Division
[see Section A above]

Office of Chief of Forest Service
U.S. Department of Agriculture
1400 Independence Ave., SW
Washington, DC 20250-003

United States Department of the Army
Military Surface Deployment and Distribution Command
Transportation Engineering Agency
ATTN: SDTE-SA (Railroads for National Defense)
709 Ward Drive, Building 1990
Scott AFB, IL 62225-5357

U.S. Department of the Interior -
National Park Service
RTCA Program (Org code 2240)
1849 C Street, NW
Washington, DC 20240

C. Most Recent Shippers

Loren Smith Farms
30361 Loren Lane
Corvallis, OR 97333-9430

Goracke Brothers
25870 Old River Road
Monroe, OR 97456

Van Beek Dairy Farm
26405 McFarland Rd
Monroe, OR 97456-8709

Nusbaum Farms
27031 Bellfountain Road
Monroe, OR 97456

Hull Oakes Lumber
23837 Dawson Road
P.O. Box 48
Monroe, OR 97456

Wilbur Ellis Company
555 Depot Street
P.O. Box 82
Monroe, OR 97456